

Your Small Business Resource

Caribbean E-Outlook is a publication of the U.S. Small Business Administration Puerto Rico and U.S. Virgin Islands District Office

Carmen Ana Culpeper, District Director

252 Ponce De León Ave. Suite 200
San Juan, PR 00918-2038

Tel: (787) 766-5572
Fax: (787) 766-5309
Web: www.sba.gov/pr

September 2005, Volume # 3, Issue # 3

Also inside this issue:

Upcoming Events	page 2
Success Story	page 3
SBA: America's Small Business	page 4
PR Women's Business Inst.	page 5
District Happenings	page 6
SBA Holds 504 Workshop in VI	page 7
PR & VI Loan Production	page 8

For More Information:

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory.
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness: 1-800-REG-FAIR
- SBA Home Page: www.sba.gov.

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.

To be added to our mailing list, please e-mail Angelique Adjutant, Public Affairs Officer at angelique.adjutant@sba.gov.

Minority Enterprise Development is Crucial to our Recovery

By Carmen A. Culpeper

Small businesses play a crucial role in the economic development of Puerto Rico. Research indicates that there are close to one hundred and forty thousand firms on the Island, of which more than ninety-two percent are defined as small by U.S. Small Business Administration (SBA) size standards. They generate more than 65 percent of all new jobs and account for almost half of the gross domestic product. Hence, entrepreneurial spirit continues to keep the economy moving and will be a central engine in our overall recovery. Small business is critical to our economic recovery, to building our future, and to helping all Puerto Rican entrepreneurs compete in today's global marketplace. The SBA plays an important role as well.

The SBA was officially established in 1953 to "aid, counsel, assist and protect, insofar as possible, the interests of small business concerns". The charter also stipulated that the SBA would ensure small businesses a "fair proportion" of government contracts and sales of surplus property.

For almost 50 years, our District Office, established in 1956, has grown in terms of total assistance provided and our array of programs designed to encourage small enterprises in all areas.

Among the many programs tailored to reach larger segments of the small business community, the SBA has implemented the 8(a) Program. Its name derives from Section 8 of the Small Business Act, which the U.S. Congress amended in 1968 to support the SBA in helping small firms, owned and operated by socially and economically disadvantaged individuals, develop their businesses. One of the major tools of the 8(a) Program is the awarding of federal contracts. The SBA acts as prime contractor and negotiates directly with other federal agencies and departments so that said contracts are awarded to 8(a) certified companies.

In Puerto Rico, the SBA has a portfolio of 164 firms that are 8(a) certified. During FY 2004, ended September 30th, our District Office awarded 40 contracts and 15 contract modifications to these firms, with a value of \$46 million.



We are about to close another successful year at the Puerto Rico and U.S. Virgin Islands District. As of August 31st, our Office had approved 1,206 loans, which represents an increase of 15.3% compared to the same period last Fiscal Year. This amount increased to 1,323 as of September 26, surpassing the total of guarantees in FY 2004 by 132 loans.

During the next few days, we will be defining our strategies and goals for FY 2006; we look forward to working with our participant lenders, resource partners, and strategic collaborators as we utilize SBA's programs and services to the best of our abilities. By promoting entrepreneurship and fostering business development and expansion of small business in Puerto Rico and the Virgin Islands, we contribute positively to the economic development of all islands.

*From the Desk of the
District Director*

A handwritten signature in black ink, appearing to read "Pamela Pfeiffer", written in a cursive style.

Financial Assistance for Disaster Victims

- To be considered for all forms of federal disaster assistance, contact FEMA either online at www.fema.gov, or by calling **1-800-621-FEMA** (3362). The speech or hearing impaired may call 1-800-462-7585 (TTY).
- If anyone has questions concerning the Disaster Loan Program, they can call SBA's Customer Service Call Center at **1-800-659-2955** or 1-800-877-8339 for the hearing impaired.
- For more information about SBA's disaster assistance program, visit the Web site at www.sba.gov/disaster, or e-mail your questions to disastercustomerservice@sba.gov.

UPCOMING EVENTS

8(a) Pre-certification Workshop

Date: Wednesday, October 26

Time: 9:00 – 11:30 AM

Place: SBA District Office

Call: (787) 766-5572

Job Fair

Date: Tuesday, October 4

Time: All day

Place: University of PR, Bayamón

WBI: Among Women Entrepreneurs

Date: Friday, October 21

Time: 9:00 – 12:00 AM

Place: University of the Sacred Heart

Call: (787) 726-7045

Web Sites of Interest

U.S. Small Business Administration

www.sba.gov

SBA PR VI Home Page

www.sba.gov/pr

Office of Advocacy

www.sba.gov/advo

Business Law

www.business.gov

Fed Biz Ops

www.fedbizopps.gov

PR-SBDC

www.prsbdc.org

Women's Business Institute

www.wbipr.org

SCORE

www.score.org

Minority Business Development Center

www.mbdcp.com

PR Chamber of Commerce

www.camarapr.org

United Retailers Association

www.centrounido.org

PR Supplier Development Council

www.sdcpr.org

CHICAGO PHOTOGRAPHER FINDS SMALL BUSINESS SUCCESS IN CRUCIAN TIMES

In 1990, after learning of the destruction Hurricane Hugo caused to the Virgin Islands, a young photographer by the name of Diane Butler did the unthinkable: she moved to the island of St. Croix.

A Chicago native, Diane had never traveled to the Caribbean and could dream of nothing more than warm weather and sandy beaches; not even the thought of a future hurricane could change her mind.

"I actually came down here to help out, there was so much rebuilding to be done," Diane says. "I grew up in a contracting family so I knew construction, and I'm a good laborer."

And so it was that Diane moved to St. Croix with a pocket full of cash, a bicycle and her camera, giving herself six months to find good work and make a career for herself. Before her time was due, she became a photographer's assistant and went back to the Mainland briefly to collect the rest of her belongings.

"I was 22 years old," the entrepreneur recalls. "I had saved up a lot of money and paid off all my debts, so it was an easy decision to make."

After a year working as a photographer's assistant, the young woman knew it was time to go out on her own. She established Diane Butler Photography with hotels and jewelers as her first clients.

At the end of that first year, Diane had generated close to \$30,000 in sales and began making a name for herself doing family portraits, school photos, weddings and special events. She grew to love St. Croix and its people very much, leaving her to claim that "I wouldn't live on any other island."

Recurring disasters, however, hurt her business inevitably. Hurricane Marilyn stomped St. Croix's economy in 1995 and people were not about to hire a photographer to do a family portrait. Diane supplemented her income by returning to construction work for a while, learning not only new trades, but great lessons in survival as well. And, although her workload as a photographer improved some by covering civic events, sports and politics for the press, she knew something else needed to be done in order to succeed.

"I was making just enough to pay for everything, but I needed the extra income."

For some time, Diane worked on expanding her photography business to include advertising and public relations. Then, in 1999, she began publishing a full-color tourist publication: the St. Croix Explorer Map, the only St. Croix tourist guide and map designed and produced in St. Croix, promoting the island around the world through the Virgin Islands Tourism Department.

This mother of 18-month old twins saw that there was a future in publishing and, a few years after launching the Explorer Map, she designed Crucian Time, a weekly planner and journal featuring 60 full-color views of St. Croix, as photographed by Diane. In order to obtain business advice and counseling, Diane visited the University of the Virgin Islands Small Business Development Center (SBDC), a program administered by the U.S. Small Business Administration (SBA). The SBDC Program provides managerial and technical assistance to start-up and existing businesses and specializes in direct one-on-one counseling and training.

Every year, the Virgin Islands SBDC assists more than 2,000 existing and aspiring entrepreneurs like Diane Butler in resolving organizational, financial, marketing and technical problems they may encounter, as well as helping them structure business and marketing plans, market viability studies, and SBA loan applications.

Last year Diane, who presides the St. Croix Chamber of Commerce, published a 13-month St. Croix calendar—the first ever to be printed—featuring her photographs and including local recipes and holidays, helping pump up her sales to \$100,000. More recently, she has expanded her business through e-Commerce by promoting her Web sites. Her photographs are available on www.dmbutler.com and www.stcroixexplorer.com.

SBA: America's Small Business Resource

By William Manger, Jr.

Budding and established entrepreneurs are turning to the U.S. Small Business Administration (SBA) in record numbers for advice on starting and growing their businesses. In fact, last year the agency's technical assistance programs reached more than 2.44 million small business owners and entrepreneurs.

Small business counseling and training is provided by three principal SBA resource partners throughout the country. Small Business Development Centers (SBDC) provide counseling, training and technical assistance in all aspects of small business management to both current and potential small business owners. SBDCs assist small businesses with business planning, marketing, loan proposals and feasibility studies.

Special SBDC programs and economic development activities include international trade assistance, technical assistance, procurement assistance, venture capital formation and rural development. SBDCs also make special efforts to reach minority members of socially and economically disadvantaged groups, veterans, women and the disabled.

In the Puerto Rico & U.S. Virgin Islands there are 11 Small Business Development Centers located at colleges, universities, community colleges, vocational schools, chambers of commerce and economic development corporations.

These locations are: Inter American University Campus in Arecibo, PR at Barrio San Daniel, Sector Las Canelas, Rd. #2, Ph: (787) 878-5475, ext. 2236; Inter American University Campus in Bayamón, PR at #500 Dr. John Will Harris St., Ph: (787) 279-1912, ext. 2294; Caguas Government Center, at La Democracia Bldg. on Muñoz Rivera Street, Ph: (787) 744-8833, ext. 2909; Inter American University Campus in Fajardo, PR at Union St., Batey Central Rd. # 195, Ph: (787) 863-2390, ext. 2023; Inter American University in Ponce, PR at Rd. # 1, Km. 123.2 La Mercedita, Ph: (787) 284-1912, ext. 2023; Inter American University Campus in San Germán, PR, at Ave. Central Dr. Harrys, Leopoldo Ortiz Bldg., Ph: (787) 264-1912, ext. 7717; San Juan Executive Offices, Regional Center and International Trade Center at Union Plaza Bldg., #416 Ponce de Leon Ave., 10th Floor, Ph: (787) 763-6811; U.S. Virgin Islands, at 8000 Nisky center, Suite 720, in St. Thomas, Ph: (340) 776-3206; and at Sunshine Mall # 1 Estate Cane Suite 104, in St. Croix, Ph: (340) 692-5270.

Small business owners can receive SCORE counseling one-on-one, or through email business counseling. SCORE's cyber chapter has more than 1,200 business counselors ready to assist with business planning, financing, marketing and more.

Questions can be submitted 24/7, and a response follows within 48 hours. Since 1995, the SCORE cyber chapter has helped tens of thousands of small business owners realize their dreams. E-business counseling can be found at

www.score.org.

Here in Puerto Rico, there is one SCORE chapter operating out of the SBA District Office, at 252 Ponce de Leon Ave., Citibank Tower, Suite 201, in San Juan. You may call (787) 755-5572, and ask for extension 223 to make an appointment with a SCORE counselor.

Women's Business Centers (WBCs) promote the growth of women-owned businesses through programs that address business training and technical assistance, and provide access to credit and capital, federal contracts, and international trade opportunities. Each women's business center provides assistance and/or training in finance, management, marketing, procurement and the Internet, as well addressing specialized topics such as home-based businesses, corporate executive downsizing and welfare-to-work. In Puerto Rico, there is one Women's Business Institute located at the University of the Sacred Heart, Barat Bldg., Rosales Street, in San Juan. It is open Monday through Friday, from 9:00 a.m. to 6:00 p.m. The WBI's director is Pedro Acevedo, and may be reached at (787) 726-7045.

The U.S. Small Business Administration is proud to be America's Small Business Resource.

William Manger, Jr. is regional administrator of the U.S. Small Business Administration (SBA) with jurisdiction over agency activities in New York State, New Jersey, Puerto Rico and U.S. Virgin Islands.

Puerto Rico Women's Business Institute A History of Success

By Ana María Vera, District Office Technical Representative

The Women's Business Institute (WBI) was established at the University of the Sacred Heart in 1997 and, since then, has been a primary resource for the SBA in Puerto Rico. The WBI has demonstrated an effective impact in the development of women-owned businesses and in the business community at large, but with a special sensitivity to socially and economically disadvantaged communities that surround it. It has also been successful integrating resources and serving the University's student community; as well as providing opportunities of growth to VistaCorp volunteer that develop professional skills in the areas of public relations, business development and training.

The WBI has a history of successful compliance with all SBA/OWBO requirements, including annual matching funds and milestones. It continuously seeks to be integrated with all the rest of SBA's resources. The Women's Business Institute acts as an advocate for economic development and SBA programs in Puerto Rico, and works very closely with OWBO to promote the Women's programs locally, nationally and via the Internet; and consistently maintains a good communication and mutual collaboration with the District Office Technical Representative. Throughout the years the Program has been very creative and innovative in reaching out to women entrepreneurs and to the community it serves.

The Staff of the Women's Business Institute has always demonstrated a true dedication and enthusiasm in providing advice, support and training to women in their business developmental process.

During fiscal year 2004-05, the WBI delivered 128 training sessions, including 4 Women Network Entrepreneurial Training roundtables and its now traditional annual conference "*Empresarismo con Aroma de Mujer*" (Entrepreneurship with the Scent of a Woman). The commitment, effectiveness, and the sound administration of the Puerto Rico Women's Business Institute has helped served Puerto Rico and the SBA so well and it has helped so many women reach their dreams of self-sufficiency, that it merited receiving an increase in federal funding from \$75,000 to a total of \$132,000 for the next fiscal year. It has been selected as one of the best programs in the Nation and certainly the best on this blessed Island.



SBA District Director Carmen A. Culpeper delivers certificate of recognition to WBI Director Pedro Acevedo and University of the Sacred Heart President Dr. José Jaime Rivera.

From cover....

An example of one of these successful firms is ARGA, S.E., a general contractor in San Juan, established in 1986. Partners Irving Aranda and Eric Rodríguez expanded ARGA's portfolio after becoming 8(a) certified in 2002. Since then, the firm has completed numerous projects for the U.S. Coast Guard, has been awarded contracts with the Air National Guard and is currently negotiating contracts with other federal agencies and military branches.

We were pleased to honor Irving and Eric with Puerto Rico's Minority Small Business Persons of the Year Award recently, as the SBA celebrated Minority Enterprise Development (MED) Week throughout the nation. We are also proud that these two partners were selected Regional winners among minority entrepreneurs throughout New York State, New Jersey, Puerto Rico, and the U.S. Virgin Islands, and were honored in Washington, DC a few days ago by our Administrator. They are every example of what minority entrepreneurship is all about.

Small businesses have it within their means to make an invaluable contribution to our economy. They are where innovations take place. They make the products that line our store shelves and supply our office needs; they maintain our grounds and build our homes. Every step of the way, SBA is there to help them.

District Happenings



Recently, the PRVI DO entered Strategic Alliances with the United Retailers Association and with the Ponce and Southern Puerto Rico Chamber of Commerce.

In the photo above, SBA District Director Carmen A. Culpeper and Elliott Rivera, president of the United Retailers Association.

Top right: (Standing) PR SBDC Executive Director Carmen Marti and Women's Business Institute Director Pedro Acevedo, join SBA District Director Carmen A. Culpeper and Ernesto Córdova, president of the Ponce and Southern Puerto Rico Chamber of Commerce, as they sign the Strategic Alliance Memorandum



SBA Business Development staff recently gave seminars on how to start a small business to groups of artists with disabilities in Mayagüez and San Juan belonging to the Movement for the Achievement of an Independent Life (MAVI, by its Spanish Acronym). In the photo above, part of the audience that attended the event in San Juan.



SBA District Director Carmen A. Culpeper accompanies Eric Rodríguez (left) and Irving Aranda, partners of ARG, S.E., moments after the two entrepreneurs were recognized as District Minority Small Business Persons of the Year during Puerto Rico's Minority Enterprise Development Week awards ceremony. Rodríguez and Aranda were also selected as Region II's Minority Small Business Person of the Year and were honored in Washington, DC earlier this month.

SBA and SBDC Hold 504 Workshop in the Virgin Islands

On September 21, a first was accomplished when the SBA and the VI-SBDC held a 504 workshop in St. Thomas, with the first ever simultaneous video teleconference to St. Croix. The three-hour event featured SBA District Director Carmen Culpeper; Carl Christensen, SBA Lead Economic Development Specialist for the VI; SBA Lender Relations Specialist Rubén Cortés; Warren Bush, VI-SBDC State Director; Joey Cancel, 2nd Vice President of First Bank's Government Guaranteed Loans Unit; and Jorge Morales, of Puerto Rico-based Marketing Development Corporation, who walked the audience through the entire process required to apply for a 504 loan. Eighteen Bankers and commercial realtors attended the live event in St. Thomas, while 13 attendees in St. Croix received the workshop via teleconference.

Also, at the event, Carmen Culpeper awarded Carl with a special recognition for his 25 years of Federal Service. Carl was appointed to serve as SBA Officer in Charge of the St. Croix, Virgin Islands SBA Office in August 1983. As Officer in Charge, Carl is responsible for the dissemination of all SBA programs and services in the Territory.



LOAN PRODUCTION IN PR & USVI (AS OF 8/31/05 - 8/31/04)

Lender / CDC	# of Loans 2005	\$\$\$ Value	# of Loans 2004	\$\$\$ Value
Banco Bilbao Vizcaya Argentaria	181	\$14,845,200	243	\$16,402,620
Banco Popular de Puerto Rico	638	\$78,833,802	515	\$61,507,996
Banco Santander Puerto Rico	208	\$18,699,200	188	\$22,744,900
Bank of America	1	\$25,000	0	0
Bank of Nova Scotia	0	0	0	0
Business Loan Center	30	\$1,082,000	2	\$1,417,000
Citibank, N.A.	6	\$254,000	1	\$30,000
Cooperativa Ahorro y Crédito Aguada	0	0	3	\$1,145,000
Doral Bank	37	\$5,042,300	22	\$1,807,400
Economic Development Bank for PR	1	\$91,178	1	\$322,000
Eurobank	0	0	1	\$310,000
Firstbank	14	\$1,865,880	2	\$300,000
Government Development Bank of VI	1	\$50,000	2	\$90,000
Grow America Fund, Inc.	0	0	4	\$430,000
Independence Bank	0	0	1	\$150,000
Oriental Bank & Trust	22	\$1,067,900	3	\$305,000
R&G Premier Bank of PR	0	0	0	0
Scotiabank Puerto Rico	6	\$616,250	1	\$85,000
Virgin Islands Community Bank	0	0	1	\$100,000
Westernbank	0	0	0	0
*COFECC	9	\$2,868,000	7	\$2,342,000
*Marketing Development Corp.	43	\$11,635,000	32	\$12,700,000
*North PR Local Development	5	\$2,401,000	5	\$1,837,000
*PR Business Development Corp.	4	\$1,808,000	12	\$5,602,000
TOTALS	1,206	\$141,184,710	1,046	\$129,627,916

Includes Loans in VI

*CDC